

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

GUARDIAN CANADIAN EQUITY SELECT FUND

DECEMBER 31, 2022

This annual management report of fund performance contains financial highlights, but does not contain either the annual financial report or annual financial statements of the investment fund. You can obtain a copy of the annual financial report or annual financial statements at your request, and at no cost, by calling 1-866-383-6546, by writing to us at Guardian Capital LP, Commerce Court West, 199 Bay Street, Suite 2700, P.O. Box 201, Toronto, Ontario, M5L 1E8, or by visiting our website at www.guardiancapital.com/investmentsolutions or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The primary objective of Guardian Canadian Equity Select Fund (the “Fund”) is the achievement of a high level of stable income, with an attractive total return, by investing primarily in Canadian dividend-paying equity securities and income trusts. The Fund invests primarily in securities of mid- to large-size Canadian companies that have a track record of paying and growing dividends. The Fund is broadly diversified by sector and seeks a dividend yield that is competitive with the market, normally holding between 15 and 30 issuers. The Fund will maintain a Canadian equity focus. However, due to increased global integration and cross-border corporate transactions, the Fund may invest up to 10% of its market value in individual foreign equities that have either significant business operations in Canada or are listed on the TSX.

Risk

The risks associated with investing in the Fund remain as discussed in the prospectus. The Fund may be suitable for investors with a medium tolerance for risk, particularly those who seek exposure to Canadian equity securities with a medium to long-term investment horizon.

Results of Operations

(This commentary is based on the performance of Series I units of the Fund.)

The Fund’s net asset value decreased by 7% to \$81.3 million at December 31, 2022 from \$87.8 million at December 31, 2021. Of this change, a decrease of \$4.4 million was due to investment performance and a decrease of \$2.1 million was attributable to net redemptions.

Series I units of the Fund posted a return of -4.2% for the year. The Fund’s benchmark, the S&P/TSX Composite Index, returned -5.8% for the same period. The Fund’s return is after the deduction of expenses, unlike the benchmark’s return.

The Russian invasion of Ukraine impacted the Fund in several ways. The Fund’s holding in Magna was negatively impacted by virtue of having a moderate proportion of operations suddenly stranded within Russia. The ensuing curtailment of Russian energy delivered into Europe and sanctions on Russian fertilizer exports drove oil and potash prices higher, benefiting the Fund’s holdings in Imperial Oil and Nutrien. Interest rate increases from the Bank of Canada raised concerns over the domestic housing and commercial construction market, negatively impacting holdings, such as kitchen, bathroom and office fixtures distributor Richelieu Hardware. Weaker capital market demand for public stock offerings, along with higher funding costs for most businesses, reduced deal activity and investment valuations for Fund holdings, such as Brookfield Asset Management and Power Corp.

The Fund’s aggregate attributes of above-average quality, as measured by return on capital, and inexpensive valuation, as measured by a lower price to normalized earnings valuation versus the benchmark, buffered Fund performance in a weak year for the Canadian equity markets in 2022. The Fund’s bias to consistent dividend payers in the Utilities, Consumer Staples and Communications Services sectors provided sufficient downside protection to the Fund in a weak year for the S&P/TSX Composite Index.

The Fund has a dividend and “value” tilt to its complexion, with the weighted average valuation of its constituent holdings always at a discount to the benchmark. This was beneficial in 2022, a year in which dividend and “value” strategies outperformed the broader S&P/TSX Composite Index. The Fund benefited from having no holdings in the Real Estate or Health Care sectors, both of which underperformed the benchmark in 2022 by more than 10% and 50%, respectively. The Fund’s underweight exposure to the Energy sector was unhelpful in 2022, as this sector outperformed the broader index by more than 20%.

Energy producer Imperial Oil was the largest contributor to Fund performance, profiting as oil prices rose in response to a supply crisis in Europe. Another positive contributor was home and auto insurance provider, Intact Financial, gained as profitability remained robust for domestic underwriting, while a

recent acquisition of a domestic competitor stands to add to future income. Dairy producer, Saputo, rose in price as demand from restaurants and the foodservice industry improved from depressed levels during the COVID-19 pandemic.

Detracting from Fund performance was the holding in leading e-commerce enabler, Shopify, fell considerably over 2022, as investor appetite for high growth businesses diminished and online shopping moderated following torrid growth during the pandemic. Enterprise software company, Open Text, also declined after announcing the acquisition of a sizeable UK software peer, reflecting a lesser view among investors of the business prospects of the target company and debt associated with the transaction. Also detracting from performance was private equity investment firm Brookfield Corporation declined as falling equity markets and higher funding costs began pressuring valuations for the firm's numerous investments.

Two new positions were added to the Fund in 2022. A small holding in Shopify was added in early 2022, after a considerable price decline in late 2021 brought shares in this rapidly growing, unique Canadian leader to compelling levels. Also in early 2022, a large position was initiated in Fortis, a utility well positioned to profit from connecting a growing number of renewable electricity projects to their extensive transmission grid. The addition of Shopify was a detractor from Fund performance over the remainder of the year, while the addition of Fortis was beneficial to returns. To fund these purchases, holdings in IT services provider, CGI, and apparel manufacturer, Gildan, were eliminated, with the swap representing a collective improvement in the Fund's portfolio quality and prospective earnings growth rate.

At year end, the Fund retained an overweight bias to the dependable dividend growing companies common to the Utilities, Communication Services and Consumer Staples sectors. The Fund was underweight both the Energy and Materials sectors, with the view that stocks in both groups tend to be lower quality businesses, offer lower returns on equity and have less compelling dividend attributes.

The Manager integrates ESG considerations into its

investment analysis and stewardship activities with the objective of enhancing long-term investment performance. Active engagement and proxy voting are a core part of the Manager's stewardship approach, and the Fund's investment team participates in these activities in a manner suitable to the asset class and Fund. Our investment teams focus on ESG and other issues which they believe could be financially material and/or impact the long-term sustainability of the company. The consideration of ESG issues is one of a number of elements in the portfolio construction process and, may or may not have a material influence on portfolio composition at any given time. For more information, the Manager posts its annual proxy voting activities and an annual Responsible Investing report on its website: <https://www.guardiancapital.com/investmentsolutions/>

Recent Developments

The reopening of the Chinese economy in late 2022, with the removal of quarantine measures, offers the potential to be a highly influential factor across equity markets in 2023. Several Fund holdings, such as Imperial Oil and Nutrien, stand to capitalize on a resumption in Chinese demand for commodities, while holdings such as Magna would benefit from reduced supply chain bottlenecks at facilities inside this nation. An offset might come from higher interest rates domestically, that appears to be curtailing housing demand and straining personal and corporate balance sheets, potentially generating headwinds to several Fund holdings in the Financials sector, such as Royal Bank of Canada, TD Bank and Bank of Nova Scotia. As a counter to these uncertainties set to manifest over the course of 2023, the Fund remains positioned in a diversified mix of high quality companies with strong dividend attributes, trading at an attractive overall valuation.

Related Party Transactions

Guardian Capital LP, the Manager of the Fund, is considered to be a "related party" of the Fund. The Manager is responsible for the day-to-day operations of the Fund and also acts as the portfolio manager, managing the investment portfolio of the Fund. These services are in the normal course of operations and the

Fund pays a management fee to the Manager for these services, as detailed in the Management Fees section below. The Manager also receives an Administration Fee from the Fund, amounting to 0.18% of the average daily net asset value of the Fund, in return for the payment by the Manager of all the variable operating expenses of the Fund. The Independent Review Committee ("IRC") has approved the Manager's Policy for this item, and the Manager relies on this approval as a standing instruction from the IRC. The Manager received the Administration Fee and paid Fund expenses in accordance with this Policy during the period. The Manager is a wholly-owned subsidiary of Guardian Capital Group Limited, a publicly traded firm listed on the Toronto Stock Exchange.

The Fund may invest some of its available short-term cash in units of Guardian Canadian Short-Term Investment Fund, another investment fund managed by Guardian Capital LP and a related issuer, which invests its assets in high-quality short-term fixed-income securities. As at December 31, 2022, the Fund had invested \$361,691 or 0.4% of its net assets, in units of the Guardian Canadian Short-Term Investment Fund. With respect to investments in related issuers, the Manager has relied on the approval that it has received from the IRC. The approval requires the Manager to comply with its current policy and procedures regarding investments in related issuers and to report periodically to the IRC. The Manager will not duplicate management fees paid to an underlying fund that is a related issuer.

Management Fees

No management fees are payable or collected for Series I units of the Fund.

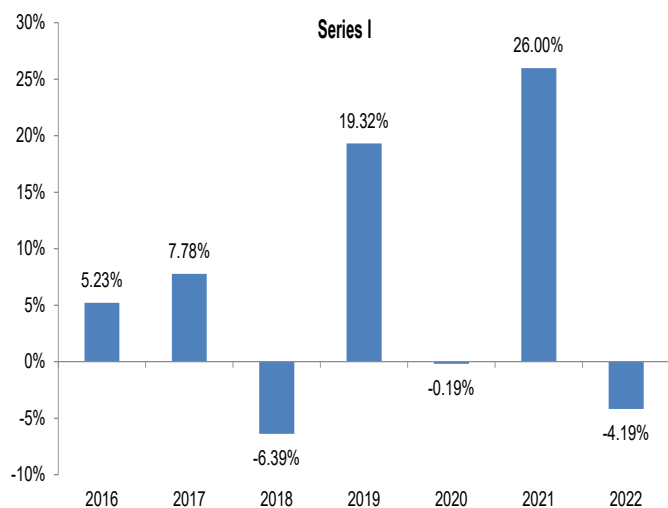
Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. This performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. Past performance of the Fund does not necessarily indicate how the Fund will perform in the future.

The performance shown below includes results prior to April 20, 2017 when the Fund was not a reporting issuer. Had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer during such period, the expenses of the Series I units of the Fund would likely have been higher. The financial statements for the period when the Fund was not a reporting issuer, are available on the Manager's website at www.guardiancapital.com or upon request.

Year-by-Year Returns

The bar charts show the Fund's performance for the period from January 1, 2022 to December 31, 2022, and annual performance for each of the prior years shown, and illustrates how the Fund's performance has changed from year to year. The chart shows in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of that financial year.



Annual Compound Returns

The table below shows the historical compound returns of the Fund's Series I units for the periods indicated, as at December 31, 2022. The returns of a broad based market index are also shown.

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
Series I (%)	-4.19	6.41	6.12	n/a	6.91
S&P/TSX Composite (%)	-5.84	7.54	6.85	n/a	7.78

* Inception date - August 31, 2016.

The S&P/TSX Composite Index is designed to be a broad measure of the Canadian equity markets. It includes common stocks and income trust units listed on the Toronto Stock Exchange.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the periods indicated. The information is derived from the Fund's audited annual financial statements.

The Fund's Net Assets per Unit (Series I)

	12 months ended Dec. 31, 2022	12 months ended Dec. 31, 2021	12 months ended Dec. 31, 2020	12 months ended Dec. 31, 2019	12 months ended Dec. 31, 2018
Net Assets per unit, Beginning of Period ^[1]	\$138.61	\$113.58	\$117.39	\$101.27	\$111.05
Increase (decrease) from operations per unit: ^[1]					
Total revenue	1.74	4.11	3.46	3.48	3.31
Total expenses	(0.27)	(0.29)	(0.26)	(0.26)	(0.24)
Realized gains (losses)	0.36	6.25	(5.33)	1.36	(0.02)
Unrealized gains (losses)	(8.46)	19.15	1.48	14.38	(9.91)
Total increase (decrease) from operations per unit	(6.63)	29.22	(0.65)	18.96	(6.86)
Distributions per unit from: ^{[1][2]}					
Income (excluding dividends)	-	-	-	-	-
Canadian dividends	(3.78)	(3.66)	(3.14)	(3.02)	(2.82)
Foreign dividends	-	-	-	-	-
Capital gains	(6.49)	(0.61)	-	(0.30)	-
Return of capital	-	-	-	-	-
Total Distributions per unit	(10.27)	(4.27)	(3.14)	(3.32)	(2.82)
Net Assets per unit, End of Period ^[1]	\$122.56	\$138.61	\$113.58	\$117.39	\$101.27

^[1] Net assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations per unit is based on the weighted average number of units outstanding over the financial period.

^[2] Substantially all distributions were reinvested in additional units of the Fund.

Ratios and Supplemental Data (Series I)

	12 months ended Dec. 31, 2022	12 months ended Dec. 31, 2021	12 months ended Dec. 31, 2020	12 months ended Dec. 31, 2019	12 months ended Dec. 31, 2018
Total net asset value (000's) ^[1]	\$81,328	\$87,816	\$67,024	\$62,233	\$33,302
Number of units outstanding ^[1]	663,601	633,547	590,112	530,132	328,825
Management expense ratio ^[2]	0.20%	0.20%	0.20%	0.19%	0.20%
Management expense ratio before waivers and absorptions	0.20%	0.20%	0.20%	0.19%	0.20%
Trading expense ratio ^[3]	0.04%	0.02%	0.05%	0.04%	0.02%
Portfolio turnover rate ^[4]	40.29%	26.77%	49.69%	30.20%	33.37%
Net asset value per unit ^[1]	\$122.56	\$138.61	\$113.58	\$117.39	\$101.27

^[1] This information is provided as at the end of each period indicated.

^[2] The management expense ratio is based on total expenses (excluding commissions, other portfolio transaction costs and withholding taxes) of the Fund and its proportionate share of the total expenses of the Underlying Funds, where applicable, for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

^[3] The trading expense ratio represents total commissions and other portfolio transaction costs of the Fund and its proportionate share of the Underlying Funds' portfolio transaction costs, where applicable, expressed as an annualized percentage of daily average net asset value for the period.

^[4] The Fund's portfolio turnover rate indicates how actively its portfolio advisor trades portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in the portfolio once in the course of a year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

SUMMARY OF INVESTMENT PORTFOLIO

As at December 31, 2022

Portfolio Allocation	% of Net Asset Value	Top 25 Holdings	% of Net Asset Value
Communication Services	7.8%	Enbridge Inc.	7.1%
Consumer Discretionary	5.1%	Royal Bank of Canada	7.0%
Consumer Staples	7.8%	Canadian National Railway Company	6.4%
Energy	12.9%	The Toronto-Dominion Bank	5.9%
Financials	30.9%	Imperial Oil Limited	5.8%
Industrials	12.5%	Magna International Inc.	5.1%
Information Technology	5.6%	The Bank of Nova Scotia	4.9%
Materials	8.6%	TMX Group Limited	4.5%
Utilities	8.4%	Saputo Inc.	4.4%
Short-Term Securities	0.4%	Fortis Inc.	4.3%
Other net liabilities	(0.0%)	Rogers Communications Inc., Class 'B'	4.2%
		ATCO Limited, Class 'I'	4.1%
		Toromont Industries Limited	3.7%
		TELUS Corporation	3.6%
		Power Corporation of Canada	3.5%
		Metro Inc.	3.4%
		Open Text Corporation	3.3%
		Brookfield Asset Management Limited	3.1%
		Nutrien Limited	3.0%
		CCL Industries Inc., Class 'B'	2.9%
		Winpak Limited	2.7%
		Richelieu Hardware Limited	2.4%
		Shopify Inc., Class 'A'	2.3%
		Intact Financial Corporation	2.0%
		Guardian Canadian Short-Term Investment Fund, Series I	0.4%
		Top 25 Holdings as a percentage of net asset value	100%
		Total Net Asset Value	\$81,328,138

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly update is available. If the Fund has invested in other investment funds, the prospectus and other information about the underlying investment funds are available on the internet via www.sedar.com.

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